

**West 3<sup>rd</sup> Street  
Business Improvement District  
Management District Plan**

**For  
A Property Based  
Business Improvement District  
West 3<sup>rd</sup> Street in Los Angeles**

**May 2012**

**Prepared By  
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**For the**  
**West 3<sup>rd</sup> Street**  
**Business Improvement District**  
**Los Angeles, California**

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## Section 1 Management District Plan Summary

The name of the proposed Property-based Business Improvement District is the West 3<sup>rd</sup> Street Business Improvement District (the “District”). The District is being established pursuant to Section 36600 et seq. of the California Streets and Highways Code, The “Property and Business Improvement District Law of 1994 as amended”, hereinafter referred to as State Law.

Developed by the West 3<sup>rd</sup> Street steering committee, the West 3<sup>rd</sup> Street Business Improvement District Management Plan is proposed to improve and convey special benefits to parcels located within the West 3<sup>rd</sup> Street District area. The District will provide continued improvements and activities, including clean services, destination marketing, administration and special projects. Each of the programs is designed to meet the goals of the District; to continue to establish W. 3<sup>rd</sup> Street as a unique commercial destination, to keep it competitive amongst two anchoring shopping malls, to improve pedestrian access, to increase building occupancy and lease rates, to encourage new small business development; and attract ancillary businesses and services for parcels within the District.

**Boundary:** See Section 2, Page 5 and map page 6.

**Budget:** The total District budget for the 2013 year of operation is approximately \$531,040.

### Improvements, Activities, Services:

|   |                  |            |
|---|------------------|------------|
| <b>CLEAN AND BEAUTIFUL</b>                    | <b>\$247,340</b> | <b>47%</b> |
| <b>DESTINATION MARKETING/SPECIAL PROJECTS</b> | <b>\$224,500</b> | <b>42%</b> |
| <b>ADMINISTRATION/SLOW PAY/CITY FEES</b>      | <b>\$59,200</b>  | <b>11%</b> |

Administration staff expenses are allocated according to generally accepted accounting job costing procedures and are allocated to the specific areas in which staff works.

**Method of Financing:** A levy of special assessments upon real property that receives special benefits from the improvements and activities. (See Section 4, for assessment methodology)

**Benefit Zones:** The State Law and State Constitution Article XIID require that special assessments be levied according to the special benefit each parcel receives from the improvements. The West 3<sup>rd</sup> Street Business Improvement District has no separate benefit zones.

**Cost:** Annual assessments are based upon an allocation of program costs by a calculation of assessable footage. Three property assessment variables: street front footage, lot square footage, and building square footage, will be used in the calculation. For a more detailed explanation on the methodology to determine the assessments see Section 4 – page 12. 2013 year assessments per assessment variable will not exceed:

|                    | Clean & Beautiful Budget        | Marketing/Special Project Budget | Admin Budget                          |
|--------------------|---------------------------------|----------------------------------|---------------------------------------|
| Parcel Ownership   | Street Front Footage Assessment | Lot Sq Ft Assessment             | Building Sq Ft + Lot Sq Ft Assessment |
| Non-Profit Parcels | \$ 20.38                        | \$ 0                             | \$ 0.0126                             |
| For Profit Parcels | \$ 20.38                        | \$ 0.2600                        | \$ 0.0371                             |

**Cap:** Annual assessment increases will not exceed 5% per year. Increases will be determined by the business improvement district Owners' Association and will vary between 0 and 5% in any given year.

**District Formation:** District formation requires submission of favorable petitions from property owners representing more than 50% of total assessments to be paid and the return of mail ballots evidencing a majority of ballots cast in favor of the assessment. Ballots are weighted by each property owner's assessment as proportionate to the total proposed District assessment amount.

**Duration:** The District will have a 5-year life beginning January 1, 2013 and ending December 31, 2017.

**Governance:** The Owners' Association will review District budgets and policies annually within the limitations of the Management District Plan. Annual and quarterly reports, financial statements and newsletters will be filed with the City of Los Angeles (City). The Owners' Association will oversee the day-to-day implementation of services as defined in the Management District Plan.

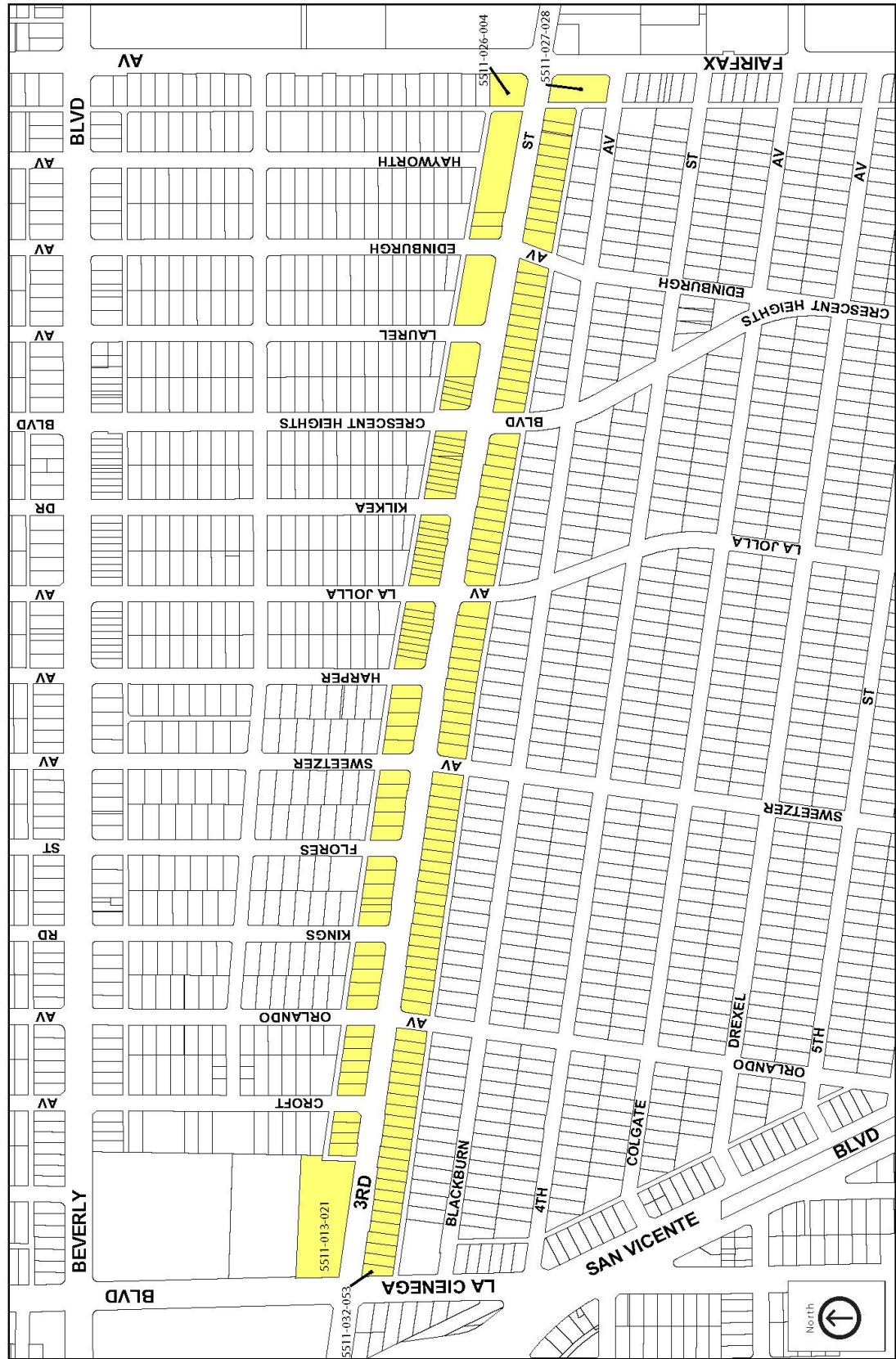
## **Section 2**

### **West 3<sup>rd</sup> Street Business Improvement District Boundaries**

#### **Description (Also see map on page 6)**

The proposed West 3<sup>rd</sup> Street Business Improvement District area contains all property within the following boundary description: Beginning on the northeast corner of West 3<sup>rd</sup> Street and La Cienega Boulevard go north along the western property line of parcel 5511-013-021. Continue east along the north property line of parcels facing West 3<sup>rd</sup> St. along the alley immediately north of West 3<sup>rd</sup> Street until parcel 5511-026-004 at Fairfax Avenue. Continue south on Fairfax across West 3<sup>rd</sup> Street along the eastern property line of parcel 5511-027-028. Continue west along the southern property line of parcel 5511-027-028, along Blackburn Avenue. Then continue north along the western property line of 5511-027-028 to the alley immediately south of West 3<sup>rd</sup> Street. Turn west at the along the southern property lines of parcels facing West 3<sup>rd</sup> Street along the alley immediately south of West 3<sup>rd</sup> Street. Turn north at La Cienega Boulevard along the western property line of parcel 5511-032-053. Continue north across West 3<sup>rd</sup> Street to the starting point and northern property line of parcel 5511-013-021.

Proposed West 3rd Street Property Based Business Improvement District (PBID)  
City of Los Angeles



## **District Boundary Rationale**

The property uses within the general boundaries of the West 3<sup>rd</sup> Street Business Improvement District are primarily commercial uses. Services and improvements provided by the District are primarily designed to provide special benefits to the commercial properties. All of the services provided by the District are services that are over and above the City's baseline of services and are not provided by the City. These services are not provided outside of the District and because of the unique nature of these services focusing on the particular needs of each property within the District provide particular and distinct benefits to each of the individual assessed parcels within the District. Each individual assessed property, that is not held in non-profit ownership, within the District receives special benefits and is assessed regardless of property use. Non-profit held property receives a different level of special benefits, see Section 4 page 12. District services provide the benefit of increased pedestrian traffic, which in turn increases the economic return to the property. Pedestrian traffic is considered to be potential customers who will become the target audience for future patronage of commercial establishments and services, and the renting of space in commercial buildings.

In order to ensure that parcels outside of the District will not specially benefit from the improvements and services funded with the assessment, improvements and services will only be provided within the boundaries of the District. Specifically, clean services personnel, and similar service providers employed in connection with the District will only provide services to each individual assessed parcel within the District, and will not provide services outside of District boundaries. Nor will District promotional efforts promote activities outside of District boundaries.

Northern Boundary: The northern boundary of the West 3<sup>rd</sup> Street Business Improvement District is the alley adjacent to parcels fronting West 3<sup>rd</sup> Street. The parcels north of the District boundaries are zoned residential, rather than the commercial zoned parcels within the district to the south. Parcels zoned residential will not benefit from the District programs that are designed to provide special benefits to commercial uses. In order to ensure that parcels outside of the District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided within the boundaries of the District. Specifically, sidewalk clean services personnel and marketing services will only provide services to individual assessed parcels on the streets and sidewalks within the District, and will not provide services outside of District boundaries.

Eastern Boundary: The eastern boundary of the West 3<sup>rd</sup> Street Business Improvement District is the west side of Fairfax Avenue. This boundary was chosen because of the existence of the Grove Mall and the Farmers Market on the east side of Fairfax. The Grove and Farmers Market, east of Fairfax Avenue, directly competes with W. 3<sup>rd</sup> Street for the same potential customers. The Grove and Farmers Market are self-contained, commercial facilities that currently provide services similar to those that will be provided by the District. Both are well established tourist destinations that market themselves with print and web advertising. They will not specially benefit from the unique improvements and services funded with the assessment. Improvements and services will only be provided to individual parcels within the boundaries of the District. Specifically, sidewalk clean services personnel and marketing services will only provide services to individual parcels on the streets and sidewalks within the District, and will not provide services outside of District boundaries.

Southern Boundary: The southern boundary of the West 3<sup>rd</sup> Street Business Improvement District is the alley adjacent to parcels fronting West 3<sup>rd</sup> Street. The parcels south of the District boundaries are zoned residential, rather than the commercial zoned parcels within the district to the north. Parcels zoned residential will not benefit from the District programs that are designed to provide special benefits to commercial uses. In order to ensure that parcels outside of the District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided within the boundaries of the District. Specifically, sidewalk clean services personnel and marketing services will only provide services to individual parcels on the streets and sidewalks within the District, and will not provide services outside of District boundaries.

Western Boundary: The western boundary of the West 3<sup>rd</sup> Street Business Improvement District is the east side of La Cienega Boulevard. This boundary was chosen because of the existence of the Beverly Center Mall across the street. The Beverly Center, west of La Cienega, directly competes with W. 3<sup>rd</sup> Street for the same potential customers. The Beverly Center is a self-contained, commercial facility that currently provides services similar to those that will be provided by the District. The Beverly Center also markets itself in both print and web advertising. The Beverly Center on the west side of La Cienega will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided to individual parcels within the boundaries of the District. Specifically, sidewalk clean services personnel and marketing services will only provide services to individual parcels on the streets and sidewalks within the District, and will not provide services outside of District boundaries.



### **Section 3**

#### **District Improvement and Activity Plan**

##### **Process to Establish the Improvement and Activity Plan**

Through a positive property and business owner survey campaign, and a series of property owner meetings, and a series of steering committee meetings a feasibility report was produced that determined the priority for improvements and activities to be delivered by the business improvement district. The primary needs as determined by the property owners were: clean services, marketing, parking, streetscape improvements and administration. All of the services provided such as the sidewalk clean services work provided by the clean team are services that are over and above the City's baseline of services and are not provided by the City. These services are not provided outside of the District and because of their unique nature focusing on the particular needs of each property within the District provide particular and distinct benefits to each of the individual assessed parcels within the District.

All of the improvements and activities detailed below are provided only to properties defined as being within the boundaries of the District and provide benefits which are particular and distinct to each of the properties within the proposed District. Non-profit owned and occupied parcels do not receive special benefit from the destination marketing/special projects programs which are designed to provide special benefits to for profit owned commercial property. Non-profit owned and occupied parcels receive clean and beautiful and administration services. No improvement or activities are provided to properties outside the District boundaries. All assessments outlined in this Management District Plan go only for services directly benefiting each of the individual assessed parcels in this specialized zone. Inasmuch as all services will be provided to the properties defined as being within the District boundaries and no services will be provided outside the District boundaries and each of the services: clean and beautiful, destination marketing, special projects, and administration are unique to the District and to each of the Districts properties all benefits provided are particular and distinct to each property.

All benefits derived from the assessments outlined in the Management District Plan are for services directly benefiting the individual assessed parcels within this area and support increased commerce, business attraction and retention, increased property rental income and enhanced overall safety and image within this commercial core. All services, projects, promotions, sidewalk clean services and professional/administration services are provided solely to properties within the district to enhance the image and viability of properties and businesses within the West 3<sup>rd</sup> Street Business Improvement District boundaries and are designed only for the direct special benefit of the assessed commercially zoned properties in the District. Non-profit owned and occupied parcels receive a special benefit from clean and beautiful programs and administration. Non-profit owned and occupied parcels do not receive a special benefit from the marketing and special projects programs which are designed to provide special benefit to for profit owned commercial parcels. No services will be provided to non-individual assessed parcels outside the District boundaries. (For a further definition of special benefits see Engineer's Report page 8 "Special Benefit")

The total improvement and activity plan budget for 2013, which is funded by property assessments, is projected at \$531,040. The costs of providing each of the budget components was developed from actual experience obtained in providing these same services to other business improvement districts within the City of Los Angeles. Actual service hours and frequency may vary in order to match

varying District needs over the 5 year life of the District. A detailed operation deployment for 2013 is available from the property owners association. The budget is made up of the following components.

## **CLEAN AND BEAUTIFUL PROGRAMS**

**\$247,340**

**47%**

### **District Clean Services Program**

In order to consistently deal with clean issues, a multi-dimensional approach has been developed consisting of the following elements. The clean team will only provide service to properties within District boundaries. Uniformed, radio equipped personnel sweep litter, debris and refuse from sidewalks and gutters of the District. District personnel will pressure wash the sidewalks on a scheduled and uniform basis. Paper signs and handbills that are scotch taped or glued on property, utility boxes, poles and telephones are removed. Illegal signage within the District will be reported to the appropriate City department and if authorized to do so will be removed by District personnel. The special benefit to parcels from these services is increased commercial activity which directly relates to increases in lease rates and customer usage.

**Trash Collection:** Collector truck personnel collect trash from sidewalk trash receptacles.

**Graffiti Removal:** Painters remove graffiti by painting, using solvent and pressure washing. The District maintains a zero tolerance graffiti policy. An effort is made to remove all tags within 24 hours on weekdays.

**Weed Abatement:** Weeds are removed as they become unsightly.

**Special Collections:** District trucks would be called to assist LAPD to dispose of illegal food vendors' inventory. They are also dispatched to collect stolen shopping carts and large bulky items illegally dumped in the District.

**Street Tree Maintenance:** Street trees and tree wells in the district will be maintained. This includes new trees planted as part of an MTA grant.

## **DESTINATION MARKETING/SPECIAL PROJECTS**

**\$224,500**

**42%**

It is important to not only provide the services needed in the District, but to tell the story of improvement in the District. The special benefit to for profit owned District parcels from these services is increased commercial activity which directly relates to increases in lease rates and enhanced commerce. Non-profit owned and occupied parcels do not receive a special benefit from the marketing and special projects programs which are designed to provide special benefit to for profit owned commercial parcels.

Some of the communication/economic development programs being considered are:

- Image and Communication programs, newsletters, website development to support local businesses, and District programs.
- Public and Media Relations.
- Banners.

The Special Projects portion of this budget is reserved for opportunities and additional projects

that present themselves during the life of the District. All special projects are designed to enhance the assets and the image of the District. Special project funds will only be used to specially benefit parcels within the District. The special benefit to parcels from these services is increased commercial activity which directly relates to increases in lease rates and enhanced commerce. Examples of some of the special projects being considered are:

- Valet parking
- Wayfinding signage
- **Infrastructure Improvements**
- **Outdoor lighting**

#### **ADMINISTRATION/SLOW PAY/CITY FEES**

**\$59,200**

**11%**

The improvements and activities are managed by a professional staff that requires centralized administrative support. Administration staff oversees the District's services which are delivered seven days a week. Administration staff actively works on behalf of the District parcels to insure that City and County services and policies support the District. Administration staff expenses are allocated according to generally accepted accounting job costing procedures and are allocated to the specific areas in which staff works. The special benefit to parcels from these services is increased commercial activity which directly relates to increases in lease rates and enhanced commerce.

#### **FIVE YEAR OPERATING BUDGET**

A projected five-year operating budget for the West 3rd Street Business Improvement District is provided below. The projections are based upon the following assumptions.

Assessments will be subject to annual increases not to exceed 5% per year. Increases will be determined by the District Owners Association and will vary between 0 and 5% in any given year. The projections below illustrate a maximum 5% annual increase for all budget items.

The cost of providing programs and services may vary depending on the market cost for those programs and services. Expenditures may require adjustment up or down to continue the intended level of programs and services. The owners association shall have the right to reallocate up to 10% of the budget allocation by line item within the budgeted categories. The overall budget shall remain consistent with this Management District Plan.

|  | <b>2013</b>       | <b>2014</b>       | <b>2015</b>       | <b>2016</b>       | <b>2017</b>       |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Clean & Beautiful                      | \$ 247,340        | \$ 259,707        | \$ 272,692        | \$ 286,327        | \$ 300,643        |
| Destination Marketing/Special Projects | \$ 224,500        | \$ 235,725        | \$ 247,511        | \$ 259,887        | \$ 272,881        |
| Administration                         | \$ 59,200         | \$ 62,160         | \$ 65,268         | \$ 68,531         | \$ 71,958         |
| <b>TOTAL</b>                           | <b>\$ 531,040</b> | <b>\$ 557,592</b> | <b>\$ 585,472</b> | <b>\$ 614,745</b> | <b>\$ 645,482</b> |

**\*Assumes 5% yearly increase on all budget items.** Note: Any accrued interest or delinquent payments will be expended in the above categories.

## **Section 4**

### **Assessment Methodology**

In order to ascertain the correct assessment methodology to equitably apply special benefits to each individual assessed parcel for property related services as proposed to be provided by the West 3<sup>rd</sup> Street Business Improvement District, benefit will be measured by parcel street frontage lot square footage and gross building square footage. Special circumstances such as a parcel's location within the District area and need and/or frequency for services are carefully reviewed relative to the specific and distinct type of programs and improvements to be provided by the District in order to determine the appropriate levels of assessment or percentage values to be assigned to each type of assessment variable. (For a definition of special benefits see Engineer's Report page 9 "Special Benefit")

The methodology to levy assessments upon real property that receives special benefits from the improvements and activities of the West 3<sup>rd</sup> Street District are Parcel Street Front Footage, lot square footage and gross building square footage.

Street front footage is relevant to the street level usage of a parcel. Parcels are assessed for all street frontages. Parcels with more than one street frontage such as corner lots or whole block parcels are assessed for the sum of all the parcels' street frontage, therefore services extend to side streets. The Clean and Beautiful budget is assessed to street front footage as services are delivered to the street level of a parcel. Lot square footage is relevant to the best use of a property and will reflect the long-term special benefit implications of the improvement district. Marketing is assessed to lot square footage. Building square footage is relevant to the interim use of a property and is utilized to measure short and mid-term special benefit. Administration and Special Projects budgets are assessed to the total of lot square footage and building square footage for each individual assessed parcel.

Street Front Footage Defined. Street Front Footage is defined as the front footage of a parcel that fronts a public street.

Gross building square footage is determined by the outside measurements of a building.

Lot square footage is defined as the total amount of area within the borders of the parcel. The borders of a parcel are defined on the County Assessor parcel maps.

### **Non-Profit Assessments**

The District currently contains parcels owned by non-profit organizations.

Parcels within the District that are owned and occupied by IRS approved non-profit organizations, while not commercial in nature, these parcels have employees that come and go on a daily basis. They also have members that attend training classes and conduct research at the sites. These parcels receive special benefit from the clean and beautiful program as well as the administration program and will be assessed their share of the clean and beautiful and administration budget. These parcels do not receive special benefit from the marketing and special projects programs which are designed to provide special benefit to for profit owned commercial parcels.

To qualify for a non-profit assessment the following must occur by April 1, of each year of the Business Improvement District.

1. The parcel owner must submit to the Owners Association, a copy of the County tax bill showing that the parcel is owned by the non-profit.
2. The parcel owner must submit to the Owners Association, a copy of the IRS letter documenting that the owner currently is recognized by the IRS as a non-profit entity.
3. The parcel must be occupied by the non-profit ownership organization.

Non-profit parcel ownership status must be renewed on an annual basis to continue receiving the non-profit assessment. A for profit owned parcel upon which all or a portion of the leasable footage is occupied by a non-profit entity does not qualify to receive the non-profit assessment rate.

### Calculation of Assessments

The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of benefit provided by the services. The proposed services are narrowly defined to confer a particular and distinct benefit to the parcels within the district. The services do not confer general benefits on the community as a whole, like general City services. Each of the parcels in the district participates in the tangible benefits from the parcel-specific clean services, marketing and special project programs. Due to the proportionate special benefits received by these parcels from the District services, these parcels will be assessed a rate which is proportionate to the amount of special benefits received. Only special benefits are assessable and these benefits must be separated from any general benefits.

The preceding methodology is applied to a database that has been constructed by District Property Owners and its consultant team. The process for compiling the property database includes the following steps:

- Property data was first obtained from the County of Los Angeles Assessor's Office.
- A database was submitted to the City Clerk's office for verification.
- A list of properties to be included within the District is provided in Section 7.

Total Assessable Footage within the District:

| Land Use     | Front Footage | Lot Sq. Ft.    | Bldg Sq. Ft.   |
|--------------|---------------|----------------|----------------|
| Commercial   | 11,525        | 863,553        | 688,062        |
| Non-profit   | 612           | 41,168         | 82,813         |
| <b>Total</b> | <b>12,137</b> | <b>904,721</b> | <b>770,875</b> |

| Activity   | Commercial Parcels | Non-Profit Parcels |
|--|--------------------|--------------------|
| Clean and Beautiful Front Foot Assessment              | 95%                | 5%                 |
| Destination Marketing/Special Projects Lot Square Foot | 100%               | 0%                 |
| Administration Lot + building Square Foot              | 97.36%             | 2.64%              |

| Budget Item                            | 2013 Total | For Profit Budget | Non Profit Budget |
|--|------------|-------------------|-------------------|
| Total Clean and Beautiful              | \$ 247,340 | \$ 234,868        | \$ 12,472         |
| Destination Marketing/Special Projects | \$ 224,500 | \$ 224,500        | \$ -              |
| Administration/slow pay/city fees      | \$ 59,200  | \$ 57,635         | \$ 1,565          |
| Total Budget all items                 | \$ 531,040 | \$ 517,003        | \$ 14,037         |

100% of the Clean and Beautiful budget is assessed to Street Front Footage, 100% of the Marketing/Special Projects budget is assessed to Lot Square Footage and 100% of the Administration budget is assessed to Lot Square Footage + Building Square Footage. Non-profit owned and occupied parcels pay their share of the Clean and Beautiful program, using the same methodology as for profit parcels, based upon their assessable street front footage. Non profit owned and occupied parcels pay 2.64% of the total Administration budget based upon their percentage share of the Clean and Beautiful budget. Non-profit owned and occupied parcels do not pay for Administration on the Marketing/Special Projects programs. To determine the assessment rate for an individual parcel, the front footage rate is calculated by dividing the Clean and Beautiful budget by the total front footage, the lot square footage rate is calculated by dividing the Marketing/Special Projects budget by the total lot square footage, and the building square footage + lot square footage rate is calculated by dividing the Administration budget by the total building square footage + the total lot square footage. For example:

**For profit Clean and Beautiful Budget \$234,868 / For profit front footage 11,525 = front foot assessment rate of \$20.38**

Based upon the methodology as set forth above, first year assessments are established as follows: Assessments per foot for each Assessment variable:

|                    | Clean & Beautiful Budget        | Marketing/Special Projects Budget | Admin Budget                          |
|--------------------|---------------------------------|-----------------------------------|---------------------------------------|
| Parcel Ownership   | Street Front Footage Assessment | Lot Sq Ft Assessment              | Building Sq Ft + Lot Sq Ft Assessment |
| Non-Profit Parcels | \$ 20.38                        |                                   | \$ 0.0126                             |
| For Profit Parcels | \$ 20.38                        | \$ 0.2600                         | \$ 0.0371                             |

Parcel Calculation Formula:

Total Street Front Footage X Appropriate Assessment Rate = Parcel Street Footage Assessment  
Total Lot Square Footage X Appropriate Assessment Rate = Parcel Lot Square Footage Assessment  
Total Building Square Footage + Lot Square Footage X Appropriate Assessment Rate = Parcel Building Square Footage + Lot Square Footage Assessment

Calculation Example:

A For Profit Parcel has 50 feet of front footage on W. 3<sup>rd</sup> Street. And 5,000 square feet of lot, and 9,000 square feet of building.

Street front footage 50 linear feet X \$20.38 = \$1,019.00  
 Lot square footage 5,000 sq. feet X \$0.2600 = \$1,300.00  
 Building square footage + Lot square footage 14,000 sq. feet x \$0.0371 = \$519.40  
*Total Parcel assessment = \$2,838.40*

### Maximum Annual Assessment Adjustments

Assessments will be subject to annual increases not to exceed 5% per year. Increases will be determined by the District Owners Association and will vary between 0 and 5% in any given year. The projections below illustrate a maximum 5% annual increase for all budget items.

### Maximum Assessment Table

|   | 2013      | 2014      | 2015      | 2016      | 2017      |
|---|-----------|-----------|-----------|-----------|-----------|
| Non Profit Front Footage                        | \$ 20.38  | \$ 21.40  | \$ 22.47  | \$ 23.59  | \$ 24.77  |
| Non Profit Lot Square Ft                        | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      |
| Non Profit Building Sq Footage + Lot Sq Footage | \$ 0.0126 | \$ 0.0132 | \$ 0.0139 | \$ 0.0146 | \$ 0.0153 |
| For Profit Front Footage                        | \$ 20.38  | \$ 21.40  | \$ 22.47  | \$ 23.59  | \$ 24.77  |
| For Profit Lot Square Footage                   | \$ 0.2600 | \$ 0.2730 | \$ 0.2867 | \$ 0.3010 | \$ 0.3160 |
| For Profit Building Sq Footage + Lot Sq Footage | \$ 0.0371 | \$ 0.0389 | \$ 0.0409 | \$ 0.0429 | \$ 0.0451 |

### Budget Adjustments

Any annual budget surplus will be rolled into the following year's District budget. The budget will be set accordingly, within the constraints of the management plan to adjust for surpluses that are carried forward.

### Future Development

As a result of continued development, the District may experience the addition or subtraction of assessable commercial footage for parcels included and assessed within the District boundaries. The modification of parcel improvements assessed within the District may then change upwards or downwards the amount of total footage assessment for these parcels.

In future years, the assessments for the special benefits bestowed upon the included BID parcels may change in accordance with the assessment methodology formula listed in the Management District Plan and Engineer's Report provided the assessment rate does not change. If the assessment formula changes, then a Proposition 218 ballot will be required for approval of the formula changes.

### Future Changes to Profit or Non-Profit Status

Parcels that change from being held as non-profit to held as for-profit or change from for-profit to non-profit will be assessed according to their new ownership status. District parcels will be analyzed annually for changes in ownership type. Non-profit parcel ownership status must be renewed by April 1 of each year as defined in this management plan, to continue receiving the non-profit assessment.

### Assessment Appeal Procedure

Property owners may appeal assessments that they believe are inaccurate. Appeals must be in writing, stating the grounds for appeal and filed with the Owners Association prior to April 1 of each year. Appeals shall be limited to the current assessment year. Any appeal not filed by April 1 shall not

be valid. In any case appeals will only be considered for the current year and will not be considered for prior years.

### **Time and Manner for Collecting Assessments**

As provided by State law, the District assessment will appear as a separate line item on annual property tax bills prepared by the County of Los Angeles. The Los Angeles City Clerk's office will direct bill any property owners whose special assessment does not appear on the tax rolls.

The assessments shall be collected at the same time and in the same manner as for the ad valorem property tax paid to the County of Los Angeles. These assessments shall provide for the same lien priority and penalties for delinquent payment as is provided for the ad valorem property tax. The "property owner" means any person shown as the owner/taxpayer on the last equalized assessment roll or otherwise known to be the owner/taxpayer by the City.

### **Disestablishment**

California State Law Section 36670 provides for the disestablishment of a District. Upon the termination of this District any remaining revenues shall be transferred to the renewed District, if one is established, pursuant to Streets and Highways Code Section 36660 (b). Unexpended funds will be returned to property owners based upon each parcels percentage contribution to the total year 2017 assessments if the District is not renewed.

### **Government Assessments**

The West 3<sup>rd</sup> Street Business Improvement District contains no government owned parcels.

### **Assessment of Possessory Interests**

Owners of possessory interest in real property within the district are owners of real property and benefit from the proposed improvements and activities. As it relates to owners of possessory interest, the assessment for the proposed district shall be levied on these owners only where no underlying assessment is levied. The assessment shall be determined on the same basis as the assessment calculation for all other owners within the same tier, an assessment that would be equal to the assessment that would have been levied on the underlying property owner. This assessment represents the special benefit from the proposed activities and improvements.

The assessments shall be collected at the same time and in the same manner as for the possessory interest tax paid to the County of Los Angeles. These assessments shall provide for the same lien priority and penalties for delinquent payment as is provided for the possessory interest tax.



## **Section 5**

### **District Rules and Regulations**

Pursuant to the Property and Business Improvement law of 1994, as amended, a business improvement district may establish rules and regulations that uniquely apply to the District. The District has adopted the following rules:

- **Competitive Procurement Process**

The Owner's Association shall develop a policy for competitive bidding when purchasing substantial amounts of services, products and/or equipment. The policy will aim to maximize service, quality, efficiency and cost effectiveness.

- **Treatment of Residential Housing**

In accordance with Section 36632 (c) of the California Streets and Highways Code, properties zoned solely for residential or agricultural use are conclusively presumed not to receive special benefit from the improvements and service funded through the assessments of the District and are not subject to any assessment pursuant to Section 36632 (c). Therefore, properties zoned solely for residential or agricultural use within the boundaries of the District, if any, will not be assessed. The District does not contain parcels that are zoned solely for residential use.

- **Renewal**

District funds may be used for renewing the District.

- **Bonds**

The Owners' Association will not issue bonds to finance any services or improvements in the District.

## **Section 6**

### **Implementation Timetable**

The West 3<sup>rd</sup> Street Business Improvement District is expected to be established and begin implementation of the Management District Plan on January 1, 2013. Consistent with State law the West 3<sup>rd</sup> Street Business Improvement District will have a five-year life through December 31, 2017.

## Section 7 Parcel Roll

| APN          | Site Address        | Total FF | Lot SF | Building SF | 2013 Assessment | %     |
|--------------|---------------------|----------|--------|-------------|-----------------|-------|
| 5511-013-017 | 8445 W 3RD ST       | 46       | 4,966  | 2,495       | \$ 2,505.60     | 0.47% |
| 5511-013-021 | 8487 W 3RD ST       | 587      | 78,581 | 70,056      | \$ 37,912.54    | 7.14% |
| 5511-013-058 | 8435 W 3RD ST       | 230      | 11,530 | 5,760       | \$ 8,326.90     | 1.57% |
| 5511-014-016 | 8425 W 3RD ST # 200 | 198      | 8,800  | 21,624      | \$ 7,452.91     | 1.40% |
| 5511-014-017 | 8417 W 3RD ST       | 44       | 4,312  | 2,067       | \$ 2,254.63     | 0.42% |
| 5511-014-018 | 8411 W 3RD ST       | 44       | 4,312  | 2,099       | \$ 2,255.82     | 0.42% |
| 5511-014-019 | 8401 W 3RD ST       | 196      | 8,712  | 4,839       | \$ 6,762.52     | 1.27% |
| 5511-015-015 | 8379 W 3RD ST       | 206      | 10,934 | 6,889       | \$ 7,702.65     | 1.45% |
| 5511-015-016 | 8373 W 3RD ST       | 50       | 5,401  | 3,311       | \$ 2,746.67     | 0.52% |
| 5511-015-017 | 8361 W 3RD ST       | 202      | 10,934 | 8,159       | \$ 7,668.31     | 1.44% |
| 5511-016-015 | 8357 W 3RD ST       | 184      | 8,538  | 3,502       | \$ 6,416.61     | 1.21% |
| 5511-016-016 | 8339 W 3RD ST       | 287      | 19,950 | 12,274      | \$ 6,255.49     | 1.18% |
| 5511-017-015 | 8317 W 3RD ST       | 210      | 11,550 | 8,487       | \$ 8,026.55     | 1.51% |
| 5511-017-017 | 8301 W 3RD ST       | 154      | 5,663  | 4,106       | \$ 4,973.46     | 0.94% |
| 5511-017-019 | 8309 W 3RD ST       | 112      | 11,208 | 8,904       | \$ 5,943.29     | 1.12% |
| 5511-018-020 | 8231 W 3RD ST       | 253      | 17,119 | 11,106      | \$ 10,654.78    | 2.01% |
| 5511-018-022 | 8253 W 3RD ST       | 211      | 10,977 | 5,462       | \$ 7,764.32     | 1.46% |
| 5511-019-025 | 8207 W 3RD ST       | 50       | 5,489  | 9,984       | \$ 3,020.69     | 0.57% |
| 5511-019-034 | 8211 W 3RD ST       | 50       | 5,358  | 4,450       | \$ 2,776.20     | 0.52% |
| 5511-019-035 | 8203 W 3RD ST       | 25       | 2,657  | 3,049       | \$ 1,412.17     | 0.27% |
| 5511-019-036 | 8201 W 3RD ST       | 143      | 3,703  | 2,844       | \$ 4,120.07     | 0.78% |
| 5511-019-038 | 8213 W 3RD ST       | 200      | 9,718  | 7,237       | \$ 7,232.01     | 1.36% |

|              |                             |     |        |        |              |       |
|--------------|-----------------------------|-----|--------|--------|--------------|-------|
| 5511-020-027 | 8161 W 3RD ST               | 31  | 2,744  | 1,573  | \$ 1,505.47  | 0.28% |
| 5511-020-029 | 8167 W 3RD ST               | 260 | 17,013 | 15,091 | \$ 10,913.97 | 2.06% |
| 5511-020-030 | 8151 W 3RD ST               | 185 | 8,586  | 2,985  | \$ 6,432.05  | 1.21% |
| 5511-021-023 | 8125 W 3RD ST               | 157 | 5,924  | 2,442  | \$ 5,050.34  | 0.95% |
| 5511-021-024 | 8121 W 3RD ST               | 25  | 2,744  | 1,125  | \$ 1,366.55  | 0.26% |
| 5511-021-025 | 8115 W 3RD ST               | 50  | 5,489  | 9,376  | \$ 2,998.10  | 0.56% |
| 5511-021-026 | 8113 W 3RD ST               | 25  | 2,744  | 1,440  | \$ 1,378.26  | 0.26% |
| 5511-021-029 | 163 S CRESCENT HEIGHTS BLVD | 147 | 2,875  | 5,262  | \$ 4,045.39  | 0.76% |
| 5511-021-030 | 8105 W 3RD ST               | 75  | 8,233  | 4,049  | \$ 4,125.00  | 0.78% |
| 5511-022-016 | 8055 W 3RD ST               | 245 | 13,504 | 6,440  | \$ 9,244.35  | 1.74% |
| 5511-022-032 | 8075 W 3RD ST               | 253 | 12,798 | 33,925 | \$ 10,218.56 | 1.92% |
| 5511-023-036 | 8001 W 3RD ST               | 485 | 27,573 | 5,000  | \$ 18,261.97 | 3.44% |
| 5511-026-001 | 7961 W 3RD ST               | 157 | 5,489  | 7,232  | \$ 5,099.02  | 0.96% |
| 5511-026-004 |                             | 251 | 15,750 | -      | \$ 9,794.74  | 1.84% |
| 5511-026-005 |                             | 126 | 13,810 | -      | \$ 6,670.95  | 1.26% |
| 5511-026-006 | 7933 W 3RD ST               | 258 | 28,020 |        | \$ 13,583.02 | 2.56% |
| 5511-026-007 | 7955 W 3RD ST               | 50  | 5,319  | 4,744  | \$ 2,775.54  | 0.52% |
| 5511-027-010 | 300 S EDINBURGH AVE         | 162 | 6,708  | 6,581  | \$ 5,538.92  | 1.04% |
| 5511-027-011 | 7956 W 3RD ST               | 40  | 4,400  | 4,040  | \$ 2,272.55  | 0.43% |
| 5511-027-012 | 7952 W 3RD ST               | 40  | 4,400  | 4,725  | \$ 2,297.99  | 0.43% |
| 5511-027-013 | 7948 W 3RD ST               | 40  | 4,400  | 2,078  | \$ 2,199.67  | 0.41% |
| 5511-027-014 | 7944 W 3RD ST               | 40  | 4,400  | 3,200  | \$ 2,241.34  | 0.42% |
| 5511-027-015 | 7934 W 3RD ST               | 80  | 8,799  | 6,400  | \$ 4,482.39  | 0.84% |
| 5511-027-016 | 7930 W 3RD ST               | 40  | 4,400  | 2,600  | \$ 2,219.06  | 0.42% |
| 5511-027-025 | 7922 W 3RD ST               | 175 | 20,691 | 14,314 | \$ 10,245.69 | 1.93% |
| 5511-027-028 | 7000 W 3RD ST               | 325 | 21,218 | 70,539 | \$ 7,781.28  | 1.47% |

|              |               |     |        |       |             |       |
|--------------|---------------|-----|--------|-------|-------------|-------|
| 5511-028-012 | 8048 W 3RD ST | 202 | 8,799  | 9,960 | \$ 7,100.87 | 1.34% |
| 5511-028-013 | 8044 W 3RD ST | 40  | 4,400  | 1,760 | \$ 2,187.85 | 0.41% |
| 5511-028-014 | 8040 W 3RD ST | 40  | 4,400  | 1,880 | \$ 2,192.31 | 0.41% |
| 5511-028-018 | 8032 W 3RD ST | 40  | 4,400  | 3,156 | \$ 2,239.71 | 0.42% |
| 5511-028-021 | 8020 W 3RD ST | 40  | 4,400  | 3,738 | \$ 2,261.33 | 0.43% |
| 5511-028-023 | 8012 W 3RD ST | 40  | 4,400  | 3,120 | \$ 2,238.37 | 0.42% |
| 5511-028-024 | 8008 W 3RD ST | 40  | 4,400  | 3,322 | \$ 2,245.88 | 0.42% |
| 5511-028-025 | 8000 W 3RD ST | 203 | 8,668  | 2,964 | \$ 6,822.45 | 1.28% |
| 5511-028-027 | 8016 W 3RD ST | 40  | 4,400  | 2,701 | \$ 2,222.81 | 0.42% |
| 5511-028-029 | 8026 W 3RD ST | 80  | 8,799  | 5,420 | \$ 4,445.99 | 0.84% |
| 5511-028-030 | 8038 W 3RD ST | 40  | 4,400  | 2,205 | \$ 2,204.38 | 0.42% |
| 5511-029-014 | 8166 W 3RD ST | 209 | 9,950  | 5,552 | \$ 7,421.76 | 1.40% |
| 5511-029-015 | 8164 W 3RD ST | 43  | 4,400  | 2,896 | \$ 2,291.19 | 0.43% |
| 5511-029-016 | 8136 W 3RD ST | 80  | 8,799  | 5,780 | \$ 4,459.36 | 0.84% |
| 5511-029-017 | 8132 W 3RD ST | 40  | 4,400  | 3,200 | \$ 2,241.34 | 0.42% |
| 5511-029-018 | 8128 W 3RD ST | 43  | 4,400  | 3,200 | \$ 2,302.48 | 0.43% |
| 5511-029-021 | 8116 W 3RD ST | 43  | 4,400  | 3,400 | \$ 2,309.91 | 0.43% |
| 5511-029-022 | 8112 W 3RD ST | 43  | 4,400  | 4,656 | \$ 2,356.56 | 0.44% |
| 5511-029-032 | 8124 W 3RD ST | 80  | 8,581  | 9,665 | \$ 4,538.90 | 0.85% |
| 5511-029-035 | 8100 W 3RD ST | 248 | 13,399 | 8,275 | \$ 9,342.45 | 1.76% |
| 5511-030-018 | 8234 W 3RD ST | 46  | 4,400  | 2,400 | \$ 2,333.90 | 0.44% |
| 5511-030-023 | 8218 W 3RD ST | 40  | 4,400  | 1,842 | \$ 2,190.90 | 0.41% |
| 5511-030-024 | 8216 W 3RD ST | 40  | 4,400  | 3,520 | \$ 2,253.23 | 0.42% |
| 5511-030-025 | 8210 W 3RD ST | 40  | 4,400  | 2,028 | \$ 2,197.81 | 0.41% |
| 5511-030-026 | 8200 W 3RD ST | 194 | 10,200 | 5,360 | \$ 7,183.23 | 1.35% |
| 5511-030-027 | 8222 W 3RD ST | 43  | 4,400  | 2,785 | \$ 2,287.07 | 0.43% |

|              |               |     |        |        |              |       |
|--------------|---------------|-----|--------|--------|--------------|-------|
| 5511-030-032 | 8226 W 3RD ST | 40  | 4,269  | 3,400  | \$ 2,209.85  | 0.42% |
| 5511-030-033 | 8228 W 3RD ST | 40  | 4,278  | 5,099  | \$ 2,275.63  | 0.43% |
| 5511-030-035 | 8242 W 3RD ST | 80  | 8,560  | 9,702  | \$ 4,534.03  | 0.85% |
| 5511-030-036 | 8250 W 3RD ST | 229 | 13,608 | 9,612  | \$ 9,067.01  | 1.71% |
| 5511-031-022 | 8370 W 3RD ST | 43  | 4,400  | 2,936  | \$ 2,292.67  | 0.43% |
| 5511-031-023 | 8366 W 3RD ST | 40  | 4,400  | 2,000  | \$ 2,196.77  | 0.41% |
| 5511-031-024 | 8362 W 3RD ST | 40  | 4,400  | 3,624  | \$ 2,257.09  | 0.43% |
| 5511-031-028 | 8346 W 3RD ST | 43  | 4,400  | 2,269  | \$ 2,267.90  | 0.43% |
| 5511-031-029 | 8344 W 3RD ST | 40  | 4,400  | 4,720  | \$ 2,297.80  | 0.43% |
| 5511-031-030 | 8338 W 3RD ST | 40  | 4,400  | 4,360  | \$ 2,284.43  | 0.43% |
| 5511-031-031 | 8334 W 3RD ST | 40  | 4,400  | 3,680  | \$ 2,259.17  | 0.43% |
| 5511-031-035 | 8318 W 3RD ST | 40  | 4,400  | 2,200  | \$ 2,204.20  | 0.42% |
| 5511-031-036 | 8314 W 3RD ST | 40  | 4,400  | 2,650  | \$ 2,220.91  | 0.42% |
| 5511-031-037 | 8310 W 3RD ST | 40  | 4,400  | 2,980  | \$ 2,233.17  | 0.42% |
| 5511-031-038 | 8304 W 3RD ST | 45  | 4,966  | 2,250  | \$ 2,476.12  | 0.47% |
| 5511-031-039 | 8300 W 3RD ST | 155 | 4,966  | 3,330  | \$ 4,757.93  | 0.90% |
| 5511-031-043 | 8330 W 3RD ST | 120 | 13,199 | 10,160 | \$ 6,744.53  | 1.27% |
| 5511-031-044 | 8358 W 3RD ST | 43  | 4,400  | 2,424  | \$ 2,273.66  | 0.43% |
| 5511-031-045 | 8350 W 3RD ST | 80  | 8,581  | 5,280  | \$ 4,376.02  | 0.82% |
| 5511-031-049 | 8378 W 3RD ST | 291 | 18,613 | 56,136 | \$ 13,545.73 | 2.55% |
| 5511-032-028 | 8486 W 3RD ST | 40  | 4,400  | 2,800  | \$ 2,226.49  | 0.42% |
| 5511-032-029 | 8480 W 3RD ST | 43  | 4,400  | 2,800  | \$ 2,287.62  | 0.43% |
| 5511-032-037 | 8450 W 3RD ST | 43  | 4,400  | 3,520  | \$ 2,314.37  | 0.44% |
| 5511-032-038 | 8446 W 3RD ST | 43  | 4,400  | 2,940  | \$ 2,292.82  | 0.43% |
| 5511-032-040 | 8430 W 3RD ST | 43  | 4,400  | 2,400  | \$ 2,272.76  | 0.43% |
| 5511-032-041 | 8426 W 3RD ST | 40  | 4,400  | 2,400  | \$ 2,211.63  | 0.42% |

|              |                              |     |        |        |                      |                |
|--------------|------------------------------|-----|--------|--------|----------------------|----------------|
| 5511-032-042 | 8422 W 3RD ST                | 40  | 4,400  | 2,400  | \$ 2,211.63          | 0.42%          |
| 5511-032-043 | 8418 W 3RD ST                | 40  | 4,400  | 4,840  | \$ 2,302.26          | 0.43%          |
| 5511-032-044 | 8412 W 3RD ST                | 40  | 4,400  | 2,800  | \$ 2,226.49          | 0.42%          |
| 5511-032-045 | 8408 W 3RD ST                | 40  | 4,400  | 3,752  | \$ 2,261.85          | 0.43%          |
| 5511-032-046 | 8400 W 3RD ST                | 195 | 9,365  | 7,430  | \$ 7,032.40          | 1.32%          |
| 5511-032-053 |                              | 200 | 8,799  | 1,125  | \$ 6,731.93          | 1.27%          |
| 5511-032-058 | 8436 W 3RD ST # 900          | 120 | 12,840 | 46,617 | \$ 7,992.07          | 1.50%          |
| 5511-032-060 | 8474 W 3RD ST                | 240 | 25,439 | 17,589 | \$ 13,102.69         | 2.47%          |
|              | <b>Total All Assessments</b> |     |        |        | <b>\$ 531,040.00</b> | <b>100.00%</b> |